



# ACED

**Agricultural Competitiveness and  
Enterprise Development Project**



## A ROAD MAP FOR INVESTORS IN MOLDOVAN HIGH VALUE AGRICULTURE

**Agricultural Competitiveness and Enterprise Development Project**  
**August 2013 updated version**

This version of the Guide has been updated between July-August 2013 by the consulting company Business Intelligent Services (BIS) at the request of Agricultural Competitiveness and Enterprise Development Project (ACED).

This guide has been developed by Business Intelligent Services (BIS) consulting company under contract to Agricultural Competitiveness and Enterprise Development Project (ACED) in September – December 2011 and aims to attract both domestic and foreign investors into Moldovan HVA. It can be downloaded in PDF format from the ACED website ([www.aced.md](http://www.aced.md)) or released by electronic mail ([info@aced.md](mailto:info@aced.md)), or handed over at the ACED Office in Chişinău (Kentford Building, 3rd floor). There is no charge for obtaining a copy of this document.

This guide is not intended to offer specific legal advice to potential investors and any of the procedures, regulations and fee schedules cited herein are subject to change without notice. ACED will endeavor to keep this guide up-to-date with modifications to its on-line version which is always available electronically. Users who notice errors or missing updates in this text, or who have suggestions of other topics that might be covered, are invited to contact ACED with this information. We aim to maintain this information as current as possible though continuous updating of the material presented.

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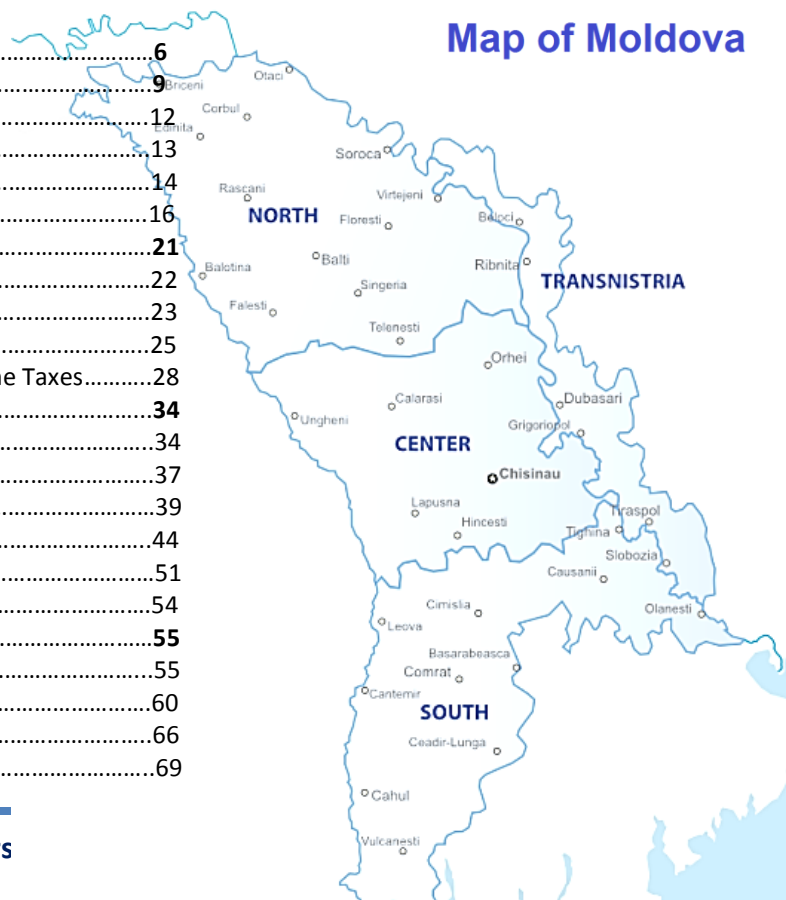
The information offered in this guide is not intended to take the place of qualified legal advice. All

potential investors or other users of this guide are advised to use the services of appropriate local legal counsel before undertaking any investment in Moldova or registering a new company.

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## ABBREVIATIONS AND ACRONYMS

<b>ACED</b> .....	Agricultural Competitiveness and Enterprise Development Project
<b>AAM</b> .....	( <i>Agenția Apele Moldovei</i> ) Water Management Agency
<b>AIPA</b> .....	( <i>Agenția pentru Intervenții și Plăți în Agricultură</i> ) - Agency for Interventions and Payments in Agriculture
<b>ANOFM</b> .....	( <i>Agenția Națională pentru Ocuparea Forței de Muncă</i> ) - National Employment Agency
<b>ANSA</b> .....	( <i>Agenția Națională pentru Siguranța Alimentelor</i> ) - National Agency for Food Safety
<b>BMA</b> .....	( <i>Biroul de Migrație și Azil</i> ) - Migration and Asylum Bureau
<b>BNM</b> .....	( <i>Banca Națională a Moldovei</i> ) - National Bank of Moldova
<b>CAECP</b> .....	( <i>Centrul de Acreditare în domeniul Evaluării Conformității Produselor</i> ) - Center for Accreditation in Product Conformity Evaluation
<b>CCCEC</b> .....	( <i>Centrul pentru Combaterea Crimelor Economice și Corupției</i> ) – Center for Combatting Economic Crime and Corruption
<b>CEFTA</b> .....	Central European Free Trade Agreement
<b>CIS</b> .....	( <i>Camera Înregistrării de Stat pe lângă Ministerul Justiției</i> ) - State Registration Chamber under the Ministry of Justice
<b>CNAS</b> .....	( <i>Casa Națională de Asigurări Sociale</i> ) - National Social Security Office
<b>CNAM</b> .....	( <i>Compania Națională de Asigurări în Medicină</i> ) - National Health Insurance Company
<b>CNSP</b> .....	( <i>Centru Național de Sănătate Publică</i> ) - National Center for Public Health
<b>CRIS Registru</b> .....	( <i>Centrul Resurselor Informaționale de Stat "Registru"</i> ) - State Information Resource Center "Registru"

**CSAOPUFF**.....(*Centrul de Stat pentru Atestarea și Omologarea Produselor de Uz Fitosanitar și a Fertilizanților*) - State Center for Certification and Approval of Phytosanitary Use Products and Fertilizers

**CSTSP**.....(*Comisia de Stat pentru Testarea Soiurilor de Plante*) - State Commission for Plant Varieties Testing

**GD**.....Government Decision

**HVA**.....High value agriculture

**IES**.....(*Inspectoratul Ecologic de Stat*) - State Environmental Inspection

**IFAD**.....International Foundation for Agriculture Development

**IFPS**.....(*Inspectoratul Fiscal Principal de Stat*) - State Tax Inspection

**IS Cadastru**.....(*Întreprinderea de Stat "Cadastru"*) – State Cadastral Enterprise "Cadastru"

**MAEIE**.....(*Ministerul Afacerilor Interne și Integrării Europene*) - Ministry of Foreign Affairs and European Integration

**MAI**.....(*Ministerul Afacerilor Interne*) - Ministry of Interior Affairs

**MCA**.....Millennium Challenge Account, Compact Program

**MCC**.....Millennium Challenge Corporation

**MDL**.....Moldovan currency, Lei

**RISP**.....Rural Investment and Services Project (II)

**SPCSE**.....(*Serviciul Protecției Civile și Situațiilor Excepționale*) - Civil Protection and Emergency Service

**ZEL** also **ZAL**.....(*Zona Economică Liberă / Zona Antreprenoriatului Liber*) - Free Economic Zone

**USAID**.....United States Agency for International Development

# Introduction

There are real opportunities in Moldova for investment in the agriculture sector. However, rumors have been circulating in recent years that successful companies could be bought out by local Oligarchs without any choice in the matter from the original investors. It is logical that this has greatly dampened outside investment. However, the new administration claims that protecting investor rights is a priority. As a result, there is a theoretical opening for new investment to take place in Moldova in a more secure manner. Due to its rich soil, strategic location, relatively inexpensive labor, and agricultural traditions, agri-business investments offer a promising place for investors to start.

The opportunities for making profitable investments in Moldova's agriculture sector are growing rapidly. Bureaucratic and regulatory constraints that have held back investments in the past are gradually being overcome as investment procedures are simplified and transparency is increased, government is committed to a policy of harmonizing trade-related policy with EU norms, several international projects are assisting government to improve the investment climate and increase the capacity to support international certification requirements and new markets are opening for Moldovan products. With its rich soil, strategic location between major markets to its east and west, inexpensive labor and strong agriculture heritage, agri-business investments offer a promising place for investors to become active in Moldova.

This paper was developed under ACED to improve the competitiveness of Moldovan HVA by addressing binding constraints in targeted fruit and vegetable value chains at the marketing, production, processing and policy levels.

Since Soviet times, Moldova has been considered a primary supplier of fruits and vegetables and processed agriculture products to the East. Soviet-era agriculture has left a footprint in Moldova with its complex irrigation systems and, unfortunately, excessive land cultivation that often triggered land degradation. The transition has been painful for the Moldovan agricultural sector that previously operated in a centrally planned environment that insulated farms from market signals, imposed centrally-derived targets as a substitute for consumer preferences, and allowed farms to function under soft budget constraints without proper profit accountability.

Today the Moldovan Government has a comprehensive understanding of agriculture and puts energy into increasing agriculture products' quality and output, as well as post-harvest processing capacities. Because agriculture is related to rural areas, the Government sees enhancing the agricultural sector potential as a way to reduce poverty and raise living standards in rural areas, where over half the population lives and agriculture is the main source of employment and earnings. International donor projects like ACED and the Millennium Challenge Corporation's Compact program with its irrigation and road rehabilitation projects are set to bring their contribution to make agriculture more efficient and by that, increase Moldova's social and economic sustainability.

HVA offers answers to numerous challenges that agribusinesses are facing in Moldova. Increasing primary agricultural production has the capacity to increase the effectiveness of the agro-processing industry, enhance the country's export base and lead to sustainable broad-based economic growth.

In 2012 the agricultural output amounted to around MDL 20.3 billion in value, of which 59% (MDL 12 billion) was accounted for by crop production, including fruit and vegetable. The gross value added of agriculture amounted to MDL 9.6 billion, contributing 10.9% to the Gross Domestic Product (third driver of the national economy). In the same year, exports of fruits and vegetables reached USD 279.8 million, of which export of nuts and apples accounted for 36.5% and 14.4% each, with a huge potential



to be explored in the future.

Moldova's traditional reputation as a low cost producer of HVA crops is currently questionable due to the reduced HVA yields registered over the last decade. If irrigation capacity and technology were to be restored, especially since inputs are increasingly available, then there is every reason to believe that Moldova could be a very competitive low-cost producer of HVA crops. From this point of view, facilitating investors' access to Moldova HVA sector opportunities is of major importance.

This study is intended to offer helpful and straightforward information to local and foreign investors looking to invest in the Moldova HVA sector in dealing with public authorities to obtain permits, authorizations and certificates. Unlike other publications generally studying the ease of doing business in Moldova, this report takes investors along some of most important steps in operating an agri-business in Moldova, like company establishment, staffing, access to finance and operating inputs. It also highlights some essential steps in dealing with Moldova's public authorities and other agri-business stakeholders as well as marks specific aspects of Moldova agriculture and HVA sectors. According to research done by the World Bank *Doing Business 2013* study, starting a business in Moldova requires seven procedures, takes nine days, and costs MDL 1,424 (around USD 110)<sup>1</sup>.

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<sup>1</sup> World Bank Doing Business 2013, <http://www.doingbusiness.org/data/exploreeconomies/moldova/>



## 1. ESTABLISH YOUR BUSINESS

Business legal considerations start with identifying the most appropriate form of legal organization for the business. Five legal organizational forms are commonly used to set up an agricultural business in Moldova: individual's enterprise/sole proprietorship and peasant farm, limited liability company (LLC or S.R.L. in Moldovan classification), joint stock company (JSC or S.A. in Moldovan classification) and cooperatives (legal persons).

Establishing individual enterprises and peasant farms requires a minimal set of documents and start-up capital. Establishing LLCs, JSCs and cooperatives requires more documents, more start-up capital, and a more complex internal decision making process.

The table below outlines the five main legal forms of business vehicles.

Criterion	Legal and Organizational Form				
	Sole Proprietorship, Peasant Farms	Limited Liability Company	Joint Stock Company	Production Cooperative	Entrepreneurial cooperative
Founder	Natural person-individual entrepreneur	Natural or legal person	Natural or legal person	Natural person	Natural or legal person
Legal residence of the founder	Resident or non-resident	Resident or non-resident	Resident or non-resident	Resident or non-resident	Resident or non-resident

<b>Number of founders</b>	1	Minimum 1 - Maximum 50	Minimum 1 - unlimited	Minimum 5	Minimum 5
<b>Minimum capital required</b>	Not specified	5,400 MDL	20,000 MDL	Not specified	Not specified
<b>Capital sources</b>	Not specified	Cash, securities, properties	Cash, securities, properties	Cash, securities, properties	Cash, securities, properties
<b>Profit distribution</b>	Net profit	Percent of profit according to capital share	Percent of profit according to number of stocks	To cooperative members	To cooperative members
<b>Governing bodies</b>	Individual entrepreneur	1) General Assembly of Associates 2) Board of Directors (if applicable) 3) Administrator	1) General Assembly of Shareholders 2) Board of Directors (if applicable) 3) Administrator	1) General Assembly of Shareholders 2) Cooperative Council (if more than 50 members) 3) President	1) General Assembly of Shareholders 2) Cooperative Council (if more than 50 members) 3) President
<b>Liability of the founder</b>	Unlimited, with all properties and securities under his possession	According to capital share	According to stocks share	According to capital share	According to capital share

According to the World Bank Doing Business report in 2013 there are the following costs for registering a business in Moldova:

1. State registration: MDL 1000 for expedited (4 hour) registration;
2. Incorporation document preparation (editing) expedited: MDL 432;
3. Express verification of business name: MDL 156;
4. Certification of signatures by the State Registrar: MDL 10;
5. Publication: MDL 54;
6. Extract (for permanent bank account) - expedited - 4 hours: MDL 252;
7. Official company stamp: MDL 180 to 260;
8. License fee (authorization for stamp manufacturing): MDL 9;
9. Business name approval: MDL 20;
10. Approval of stamp text: MDL 15.

## 1.1 Sole Proprietorship Registration

Registering a sole proprietorship in Moldova costs MDL 360, plus the cost of stamp manufacture. In order to register a sole proprietorship in Moldova the following steps must be taken:

1. Prepare Registration Application (download a Registration application at <http://cis.gov.md/content/5>).
2. Pay fee to one of the commercial bank branches (MDL 522 for a 4 hour express registration, MDL 360 for 5 day normal registration). Keep the receipt.
3. A foreign founder must also:
  - a. Obtain a personal criminal record from his/her home country.
  - b. Obtain a personal criminal record from Moldova's MAI Information Technology Services (Chişinău, 3A Iacob Hâncu str., see: [http://www.mai.md/serv\\_ict](http://www.mai.md/serv_ict) or rayon police offices). MDL 30 for ten days service, 60 MDL for one day service.
4. Submit a personal identification document, registration application, registration receipt and criminal records to CIS local office.
5. Obtain new company establishment papers (CIS registration decision, incorporation

documents, the extract from the State Register of companies, company stamp).

## 1.2 Peasant Farm Registration

Either a foreigner or a Moldovan can register a peasant farm, but since a foreigner is not allowed to own farm land, it would have to be established on rented land. The process of registering a peasant farm includes the following steps:

1. Obtain copies of land ownership documents.
2. Pay registration fee to the City Hall cash desk (around 10-20 MDL). Keep the receipt.
3. Submit registration application, copies of land ownership documents and registration receipt to the mayor's office (deputy-mayor's office). Receive a Registration Certificate from the mayor's office within a week.

## 1.3 LLC and Cooperative Registration

To register a limited liability company (S.R.L. - Moldovan classification) or a cooperative, the founders must accomplish the following:

1. Prepare a registration application. Available at <http://cis.gov.md/content/5>.
2. Request a certificate of capital shares (specifying the future company share capital) from the CIS local office. Find local offices at: <http://cis.gov.md/content/68>.
3. Deposit your share capital in a commercial bank account and apply to that bank for a share capital submission certificate. At least 40% of each founder's declared contribution to company capital has to be deposited. The other 60% must be paid in within six months of registration.
4. Pay the registration fee to the CIS cash desk (MDL 1,894 for a 4 hour express registration, MDL 703 for 5 day normal registration). Keep the receipt.
5. Pay for company name approval to the National Centre for Terminology (MDL 40 in usual terms and MDL 156 in express service) and stamp manufacturing (MDL 180-260) to CIS cash desk. Keep the receipts.

A foreign founder (natural person) must also:

1. Obtain a personal criminal record from his or her own country (translated into Romanian language).
2. Obtain a personal criminal record from the MAI's Information Technology Services (Chişinău, 3A Iacob Hâncu str., see: [http://www.mai.md/serv\\_ict](http://www.mai.md/serv_ict)) or rayon police offices. MDL 30 for ten days service. MDL 60 for one day service.

Foreign companies must also obtain:

1. Founding company incorporation papers and extract from home country trade register.
2. Office rent agreement or ownership papers.
3. New company establishment decision (download template from <http://cis.gov.md/content/5>).

The above listed documents must be submitted to the local CIS office to receive new company foundation documents.

Submit company establishment papers to the local office of IFPS, CNAS and CNAM to complete



registration. Newly registered companies must register with the IFPS.

## 1.4 JSC Registration

To register a joint stock company (S.A. – Moldovan classification), the procedure is similar to the above including the following steps:

1. Complete a Registration Application (downloadable at: <http://cis.gov.md/content/5>).
2. Request a Certificate of Capital Shares (specifying the future company's share capital) from the CIS local office (find local offices at: <http://cis.gov.md/content/68>).
3. Deposit share capital in a local commercial bank and apply for a share capital submission certificate from the same bank. At least 40% of each founder's declared contribution to company capital must be deposited. The other 60% must be deposited in within six months of registration.
4. Pay the registration fee to the CIS cash desk (MDL 2,686 for a 4 hour express registration, MDL 901 for five day registration). Keep the receipt.
5. Pay company name approval to the National Centre for Terminology (MDL 40 on a normal basis and MDL 156 in urgent service) and stamp manufacturing (MDL 180-260) to CIS cash desk. Keep the receipts.

A foreign founder (natural person) must also:

1. Obtain a personal criminal record from his or her own country (translated into Romanian language).
2. Obtain a personal criminal record from the MAI's Information Technology Service (Chişinău, 3A Iacob Hâncu str., [http://www.mai.md/serv\\_ict](http://www.mai.md/serv_ict)) or rayon police offices. MDL 30 for 10 days service. 60 MDL for one day service.

Foreign companies must also obtain the following documents for presentation to the local CIS office to obtain the required company establishment papers:

1. Founding company incorporation papers and extract from home country CIS.
2. Office rent agreement or ownership papers.
3. New company establishment decision (download template from <http://cis.gov.md/content/5>).

The above listed documents must be submitted to the local CIS office to receive new company foundation documents.

Submit company establishment papers to the local office of IFPS, CNAS and CNAM to complete registration. Newly registered companies must register with the IFPS.

## References

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1. Moldova's Civil Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=325085>;
2. Law Nr. 845 of 03.01.1992 regarding entrepreneurship and the enterprise, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311735>
3. Law Nr. 220 of 19.10.2007 regarding state registration of the legal persons and of the sole proprietorships, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326009>
4. Law Nr. 1134 of 02.04.1997 regarding joint stock companies, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312737>
5. Law Nr. 1007 of 25.04.2002 regarding production cooperatives, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312728>
6. Law Nr. 135 of 14.06.2007 regarding limited liability companies, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=324892>
7. Law Nr. 73 of 12.04.2001 on entrepreneurs cooperatives, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311718>

## Attention!

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- \*\* Registration documents can be submitted by the investor or by his or her legally authorized representative.
- \*\* Establishment documents are submitted by a foreign investing company in original or in copies that are legally authenticated by the consular offices of Moldova abroad. The copies must also be translated in Romanian. No additional authentication is needed for documents issued by countries signatory to Legal Assistance Agreements with Moldova (e.g. Romania, Russian Federation). For other countries, it is recommended to obtain an Apostille stamp on official documents.
- \*\* Ten days are needed for rayon police offices to issue personal criminal records.
- \*\* In order to establish JSC, LLC and Cooperatives, share capital amounts must be submitted to a commercial bank deposit. In return, the founders must obtain a bank certificate confirming the share capital amount submission. The certificate is necessary for company registration with CIS. When depositing share capital, it is possible to only deposit 40% for the initial deposit and then the remainder within the next six months when the initial temporary account is converted into a permanent one.

## Where To Go

Institution	Contacts
Moldovan Export Promotion and Investment Attraction Organization	65, Alexei Mateevici str., Chişinău, Tel.: +373 22 27 36 54 Fax: +373 22 22 43 10. <a href="http://miepo.md">http://miepo.md</a>
MAI's Information Technology Service	3A Iacob Hâncu str., Chişinău, see: <a href="http://www.mai.md/serv_ict">http://www.mai.md/serv_ict</a> or rayon police office
CNAM	12, Grigore Vieru Blvd., Chişinău, <a href="http://cnam.md">http://cnam.md</a> . Find local offices at: <a href="http://cnam.md/?page=21">http://cnam.md/?page=21</a>
CNAS	3, Gheorghe Tudor str., Chişinău, <a href="http://cnas.md">http://cnas.md</a> .
CIS	73, Ştefan cel Mare is Sfânt Blvd., Chişinău, <a href="http://cis.gov.md">http://cis.gov.md</a>
IFPS	9, Cosmonauţilor str., Chişinău, find local offices at <a href="http://www.fisc.md">http://www.fisc.md</a>
Commercial banks	<a href="http://www.bnm.md/md/list_licensed_banks_md">http://www.bnm.md/md/list_licensed_banks_md</a>
Business planning consultants	<a href="http://yp.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/">http://yp.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/</a>
Business lawyers	<a href="http://yp.md/rom/rub/7520/7736/8152/consultatii-juridice/">http://yp.md/rom/rub/7520/7736/8152/consultatii-juridice/</a>

## 2. STAFFING

Foreigners must obtain work permits in order to be allowed to conduct business activities in Moldova. A work permit is commonly issued for one year and its validity may be extended yearly. However, foreigners establishing companies can obtain a two year work permit if investments range between USD 100,000 and USD 200,000, three years for investments between USD 200,001 - USD 500,000, five years for investments between USD 500,001 - USD 1,000,000 and ten years for investments exceeding USD 1,000,000. Stateless persons who have not founded a company can obtain residence permits for work purposes with a validity of up to one year.

Usually, prior to obtaining a work permit, a foreigner must obtain a temporary “C” visa (except for residents of EU27, Commonwealth of Independent States, Canada, Japan, Swiss Confederation, Iceland, Norway and USA). See more information at <http://www.mfa.gov.md/entry-visas-moldova/>. After obtaining the work permit, they are allowed to work, sign labor agreements, hire local and foreign workers and pay salary taxes.

Extending the validity of a work permit requires the same documents as obtaining it. It is mandatory that a work permit extension request be submitted at least one month prior to permit validity expiration (see Obtain a Work Permit).

Type “C” (temporary or short stay) and “D” (long stay – up to 12 months) visas are usually issued for businessmen and foreigners seeking to obtain a work permit in Moldova (see for more details Law Nr. 200 of 16.07.2010 regarding foreigners’ regime in Moldova, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=336056>). Both types of visa can be renewed.

## 2.1 Obtain a Type “C”, Type “D” Visa

Type “C” and “D” visas are issued by Moldova’s consular mission abroad (locate Moldova consular missions at: <http://www.mfa.gov.md/misiunile-diplomatice-oficiile-consulare/>) – the website of the Moldovan MAEIE to find the appropriate visa application form.

This application needs to be submitted along with a letter of invitation unless you are from one of the countries mentioned above whose citizens are allowed to enter Moldova without a visa (see <http://www.mfa.gov.md/entry-visas-moldova/fees-fos-visas/>). Submit the visa application, the original letter of invitation, a recent photography (35x45mm, 1.5"x 2.0") and the passport to the Consular mission for endorsement.

Visa fees are 36 USD (for 30 day examination service) or 63 USD for three day service. Visas, once approved, are issued for an additional fee of 5 USD (for five day service) or 20 USD (for one day service).

Type "C" and "D" visas are charged EUR 60 and EUR 80 each (see fees at <http://www.mfa.gov.md/vize-intrare-rm/taxe-pentru-vize/>). The examination of applications for inviting a foreign national are charged MDL 36 in 10 days and MDL 63 in 3 days. The extension of a stay visa costs USD 5 in 5 days, USD 20 in one day. (see Annex 1 to GD no. 508 of 11 may 2006, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=316068>).



## 2.2 Obtain a Work Permit

The following steps are required to apply for a work permit in Moldova:

1. Find your company's IFPS jurisdictional office and request an Outstanding Tax Debt Certificate (find local IFPS offices at: <http://www.fisc.md/IFSTeritorialeContacte.aspx/>) if your company has been operating for more than 3 months (not necessary if operating for less than 3 months). Prepare your Labor Agreement according to the Civil Code stipulations (find the Civil Code at <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=286216>).
2. Find a Moldovan clinical hospital, undergo a HIV/AIDS test and receive a HIV/AIDS medical certificate (find hospitals at the Health Ministry's website <http://ms.gov.md/ro/institutii-subordonate>).
3. Find a dwelling place and sign a purchase/rental agreement or have the dwelling owner sign a personal responsibility declaration for the individual requiring the work permit.
4. Find a local insurance company and sign a Medical insurance contract for at least one year (find insurance companies at <http://yellowpages.md/rom/rub/8292/8474/7706/companii-de-asigurari>).

5. Submit 2 copies of each of the following documents to the BMA one-stop shop: company foundation and functioning documents, outstanding tax debt certificate and the company's financial report, the labor agreement, the HIV/AIDS clinical certificate, a dwelling place rent agreement or ownership documents, and health insurance policy for at least one year. Copy of a document confirming education or qualification of the expert invited to work (translated into the official language or notarized), proof of financial means, 2 recent 3x4 color photos.
6. Pay documents examination fee (1,440 lei) at the Migration and Asylum cash-desk. Get a receipt. (See state tax law no. 1216 of 03.12.1992  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=313274>)

The expatriate submits his ID, MAB endorsed documents to a Registru local office and receives his machine-readable work permit (locate Registru local offices at: [http://www.registru.md/map\\_docum/](http://www.registru.md/map_docum/)). The permit can be received in eight hours for a fee of MDL 1,050 or MDL 350 in 30 days

## 2.3 Hiring Expatriates

In order to hire expatriates, local companies must notify Moldova's ANOFM about the vacancy and obtain its acceptance (not exceeding 1,300 stateless persons per year, publish a notice in the local press regarding these vacancies). The prospective expatriate submits employee's letter of invitation and obtains a visa.

1. Find your local ANOFM office and register the vacancy (locate ANOFM local offices at: <http://anofm.md/network/agency>). A full job description is required.
2. Submit to ANOFM for endorsement: an employment application for the prospective employee, a copy of the public announcement of the vacancy, copies of company foundation documents, and the draft expatriate labor agreement.
3. Have the prospective expatriate employee find a Consular Mission in his/ her home country (locate Moldova consular missions at: <http://www.mfa.gov.md/misiunile-diplomatice-oficiile-consulare/>) and request visa application and letter of invitation forms. This step is not necessary if the prospective employee is a citizen of one of the countries whose citizens are exempt from visa requirements in Moldova.

4. Have the prospective expatriate employee submit the visa application, the letter of invitation, a recent photography (35x45mm, 1.5"x2.0") and his or her travel document to the consular mission for endorsement, pay the visa fee (EUR 60 for type C and EUR 80 for D visas), fees for the examination of the invitation of a foreign national: MDL 36 within 10 days and MDL 63 in 3 days. A visa extension fee is USD 5 within 5 days and USD 20 in one day.
5. Find your company's IFPS jurisdictional office and request an Outstanding Tax Debt Certificate (find local IFPS offices at: <http://www.fisc.md/IFSTeritorialeContacte.aspx>) if your company has been operating for more than three months.
6. Prepare your Labor agreement according to the Civil Code stipulations (find the Civil Code at <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=286216>).
7. Find a clinical hospital and have the prospective expatriate employee undergo a HIV/AIDS test and receive a HIV/AIDS medical certificate (find hospitals at the Health Ministry's website <http://ms.gov.md/ro/institutii-subordonate>).
8. Have the prospective expatriate employee find a dwelling place and sign a purchase/rent agreement or have the owner sign a personal responsibility declaration.
9. Have the prospective expatriate employee find a local insurance company and sign a Health

insurance contract for at least one year (find insurance companies at <http://yellowpages.md/rom/rub/8292/8474/7706/companii-de-asigurari/>).

10. Submit two copies of each of the following documents BMA one-stop shop: company foundation and functioning documents copies, the outstanding tax debt certificate and the company's financial report, the labor agreement, the HIV/AIDS clinical certificate, a dwelling place rental or ownership documents, home country criminal record, the health insurance policy for at least one year. Copy of the paper confirming the education or qualification of the expert invited to work (translated into the official language, legalized or notarized), proof of financial means, 2 recent 3x4 color photos.
11. Pay documents examination fee (1,440 lei) at the BMA cash-desk. Keep the receipt. see the state tax Law no. 1216 of 03.12.1992  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=313274>
12. The expatriate submits his ID, BMA endorsed documents to a CRIS Registru local office and receives his machine-readable work permit (locate CRIS Registru local offices at: [http://www.registru.md/map\\_docum/](http://www.registru.md/map_docum/)). The permit can be received in eight hours for a fee of MDL 1,050 or 30 days for a fee of MDL350.

## 2.4 Know Moldova Hiring Procedures and Income Taxes

In Moldova, there are no specific regulations of labor norms in agriculture. The general Moldovan labor regulations and conventions apply: remuneration of the employees according to individual labor agreements, working time and rest periods, patterns of collective labor contract, prohibition of the most serious forms of child labor, minimum guaranteed wage in real sectors of the economy (find conventions at: <http://www.sindicate.md/88>). Aside from the local offices of ANOFM, there are also over 20 recruiting and head-hunting agencies in Moldova (see: [yellowpages.md/rom/search\\_rub/recrutare/](http://yellowpages.md/rom/search_rub/recrutare/)).

### 2.4.1 Labor agreements, workbook and wages

The individual labor agreement and an employee's official workbook are the two standard documents required to be utilized when hiring employees.

The labor agreement includes general and specific clauses (conditions, risks, payment, confidentiality, confidence, mobility, etc.), including remuneration. In Moldova, an individual becomes eligible to work at the age of 16, but can sign a work contract at the age of 15, with the approval of his parents or the legal guardians. According to present laws, employers can verify an employee's professional capacities in probationary employment periods (from two weeks to three months).

The workbook is a document compiled by the employer for each employee that has worked in the company for at least five days. This condition is standard for all types of employees, including temporary or expatriate employees. The workbook includes information regarding the employee, his work record and promotions for successful activity. The workbook is returned to the employee when he or she leaves the position.

The wage is agreed by employer and employee in the labor agreement. Since May 1st, 2013, the minimum gross wage (that includes the state taxes and the wage-related taxes), regardless of the company type and in any economic sector, is 8.28 MDL per hour, or 1,400 MDL per month for an average 169 hours worked per month. (see GD Nr.165 of 09.03.2010 on economy real sectors wage minimum, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=333943>). In April 2013, the gross median wage in agriculture stood at 2299,7 MDL (<http://www.statistica.md/newsview.php?l=ro&idc=168&id=4117>). Furthermore, the amount of the average monthly wage in the economy forecast by the government for 2013 is MDL 3 850 (see GD no. 951 of 20.12.2012 approving the amount of the average monthly wage economy forecasted for 2013 <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=346037&lang=1>

## 2.4.2 Labor Regulations and Conflict Resolution

1. The Moldova Labor Code lists a number of situations which can lead to disagreement between the employer and the employee including the following:
  1. Signing of the individual labor agreement.
  2. Execution, modification and suspension of individual labor agreements.
  3. Partial or total cancellation of the individual labor agreements.
  4. Payment of compensation in case of non-performance of one part of the agreement.
  5. Agreement nullification (disposition of hiring).



6. Failure to issue the workbook, or mistakes in the information registered in the workbook, etc.

Conflicts can be amicably settled through conciliation or mediation, but there is always the option of court settlement. Moldova Labor Code and Law Nr. 134 of 14.06.2007 on Mediation refer specifically to amiable ways of settling labor conflicts. These are usually the most cost-effective methods of labor conflict settlement.

Court settlement is generally more expensive and more complex. An employee must apply for court settlement within three months of discovering that some of his rights have been breached (e.g. didn't receive proper notice period) or within a term of three years after the appearance of a specific right of the employee if this right is the litigation subject (e.g. didn't get paid).

The Moldovan Labor court will summon the litigating sides within ten days of the registration of the request and will announce its decision within 30 days. The decision can be appealed. The Labor and Civil Procedure Codes regulate labor disputes court settlement (see [lex.justice.md/index.php?action=view&view=doc&lang=1&id=286229](http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=286229)). Moldovan court system is generally considered labor friendly.

### 2.4.3 Income Taxes

After business registration, employers pay income taxes and withhold income taxes on behalf of each employee. In agriculture, these taxes refer to:

1. The income tax:
  - a. 7% for peasant/farmer households;
  - b. 7% of annual taxable income that does not exceed MDL 26,700 for employees and natural persons;
  - c. 18% of the annual taxable income exceeding MDL 26,700 for employees and natural persons.

Note that in 2013, every tax payer had the right for a personal exemption of 9,120 MDL.

2. Social insurance contributions:
  - a. 6% is withheld by the employer on behalf of the employee;
  - b. 22% of the employee's gross salary is paid by the employer, out of which 6% is subsidized by the Government.

3. Medical insurance contributions: 7% total; 3.5% is withheld by the employer on behalf of the employee, 3.5% is paid by the employer.

## References

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1. The Labor Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326757>
  2. The Tax Code, <http://www.fisc.md/CodulfiscalalRM.aspx>
  3. Law Nr. 180 of 10.07.2008 regarding labor migration, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=328963>
  4. Law Nr. 200 of 16.07.2010 regarding foreigners regime in Republic of Moldova, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=336056>
  5. Law Nr. 134 of 14.06.2007 regarding mediation, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326080>
  6. Law regarding 2013 state social insurance budget, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=345857>
  7. Law Nr. 251 from 08.11.2012 on the mandatory medical insurance funds for 2013, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=345724>
  8. GD Nr. 1449 of 24.12.2008 regarding workbook, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326586>
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## Where To Go

Institution	Contacts
BMA, <a href="http://www.migratie.md">http://www.migratie.md</a>	124 Ștefan cel Mare și Sfânt Blvd., Chișinău, tel./fax 27-74-88 / 27-72-51 / 27-96-07
ANOFM, <a href="http://www.anofm.md">http://www.anofm.md</a>	90, M. Varlaam str., Chișinău, Telephone: 22-64-87, 22-44-40, Fax: 22-64-87, find local offices at: <a href="http://www.anofm.md">http://www.anofm.md</a> )
CRIS Registru, <a href="http://www.registru.md/">http://www.registru.md/</a>	42, Pushkin str., Chișinău (locate local office at: <a href="http://www.registru.md/map_docum/">http://www.registru.md/map_docum/</a> )

### 3. SITING YOUR BUSINESS

In Moldova, foreigners (natural persons or mixed capital companies) are not allowed to own agricultural land, but they are allowed to own land designated for construction. As of 2011, the central public authorities' owned 781.9 thousand ha (both construction and agriculture use land) and local public authorities owned 721 thousand ha (both construction and agriculture use). Private ownership land surface is about 1881.7 thousand ha. About 2,008.7 ha of land are of agriculture use, over 90% of this land being privately held.

According to the main results of the General Agricultural Census conducted in 2011<sup>2</sup> in the Republic of Moldova, overall, agricultural holdings own 2,243,540.02 hectares, of which 1,940,135.56 hectares are utilized agricultural areas (UAA), distributed in 846,981 holdings. The average UAA/holding is 2.29 hectares, similar to the average recorded in 49% of all agricultural holdings in EU-27, which in the 2010 second census round showed an average UAA/holding owning less than 2 hectares.

#### 3.1 Buying Publicly-Owned Land

Tenders for the purchase of publically owned land are always made public in the mass-media (Monitorul Oficial) and local media after a bidder expresses his interest for that land and it is determined that the land qualifies for privatization. Public land is always sold at a normative price, which is a traceable measure of the land's value according to its cadastral features. It is determined by local cadastral offices in return for specific fees (see below Law Nr.1308 of 25.07.1997 on normative

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<sup>2</sup> [http://www.statistica.md/public/files/publicatii\\_electronice/Recensamint\\_agricol/RGA\\_Principalele\\_rezultate.pdf](http://www.statistica.md/public/files/publicatii_electronice/Recensamint_agricol/RGA_Principalele_rezultate.pdf)

price and methods of land purchasing to know more about land normative price). Link: <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=313289>

In order to purchase privatized land, the investor goes through the following steps:

1. Download a publically owned land purchase application from: (<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=295933>) and submit it together with his or her personal ID (company Registration Decision for legal persons) to the mayor's office within whose jurisdiction the land is located.
2. Wait one month for the Local Council to publicly announce a tender, elaborate the plat (map, showing the dimensions and location of land), calculate the land price and publically announce the tender results (see Law Nr.1308 of 25.07.1997 on normative price and methods of land purchasing to know more about land normative price).
3. Sign the land purchase agreement and pay at least 50% of the agreed price within 30 days.
4. Pay land property taxes (0.2%, not to be less than 84 MDL and not to exceed 420 MDL) at the City Hall Tax Department and request an outstanding tax debt certificate (see next Tax Registration and Payment to learn more about real estate tax).
5. Visit the website of IS Cadastru <https://www.cadastru.md/eservicii/webinfo-es/f?p=108:1:760424325215249> e-service webpage and make an electronic request for the Land ownership statement from the Real Estate Register (or locate and visit the local cadastral office and request the Land ownership statement from the Real

Estate Register. Find local cadastral offices at <http://www.cadastru.md/eservicii/>).

6. Submit the Land Purchase Agreement, the Land Ownership Statement form the Real Estate Register and the Outstanding Tax Debt Certificate to a Notary Office for land purchase agreement.
7. Submit the notarized Land Purchase Agreement and the Land Geographic Plan (provided by the mayor's office) to the local cadastral office to register the ownership right. Pay land ownership registration fee (40 MDL for each parcel of land) and get a receipt to learn about land ownership registration fees) (<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=324492>).

### 3.1.1 Buying Private Land

In order to buy land from a private seller, the following procedures must be followed:

1. Request the seller to personally obtain a Land Ownership Statement from the Real Estate Register and to have ready his property title (issued by the mayor's office).
2. Contact a notary office for a Land Purchase Agreement template. Sign the purchase agreement with the seller and have it notarized.
3. Pay land property taxes (0.2%, but not less than 84 MDL and not more than 420 MDL) at the City Hall Tax Department and request an outstanding tax debt certificate.
4. Visit <https://www.cadastru.md/eservicii/webinfo-es/f?p=108:1:760424325215249> e-service webpage and make an electronic request for the Land Ownership Statement from the Real Estate Register (or locate and visit the local cadastral office and request a Land Ownership Statement



from the Real Estate Register. Find local cadastral offices at <https://www.cadastru.md/eservicii/>).

5. Submit the Land Purchasing Agreement, the Land Ownership Statement and the Outstanding Tax Debt Certificate to a Notary Office for Land Purchase Agreement notarization.
6. Submit the notarized Land Purchase Agreement and the Land Geometric Plan (provided by the mayor's office) to the local cadastral office to register the ownership right (40 MDL for each parcel of land).

## 3.2 Renting Land

Foreigners are allowed to rent agricultural land in Moldova (Law Nr. 198-XV of 15.05.2003 on rent in agriculture) on the same basis as Moldovans. Over 780,000 hectares of agriculture use land were rented at the beginning of 2011 (nearly 39% of total agriculture use land). Rental agreement terms cannot exceed 30 years, whereas rental rates must be more than 2 % of the land's normative price per annum, but not exceed 10% of the normative price for state ownership land.

### 3.2.1 Sign a Rent Agreement

1. Contact a notary office for a Land Rent Agreement template. Sign the rental agreement with the landlord.
2. Within fourteen days of signing, execute a Handover Agreement with the landlord (this agreement allows the tenant to exercise his rights over all agricultural goods located on the field).

3. Pay land taxes at the City Hall Tax Department (see Tax Registration and Payment to learn more about real estate tax).
4. If the rental agreement term is less than three years:
  - a. Go to the City Hall Taxes Department and pay a minor registration fee (in the range of 10 MDL, varies by locality). Keep the receipt.
  - b. Submit the original and two copies of the rental agreement, the registration receipt and a personal ID (Registration Decision for companies) to the mayor's office for registration.
5. If the rental agreement is more than three years:
  - a. Go to the local cadastral office and pay a registration fee (see GD Nr. 770 of 02.07.2007 on IS Cadastru and subsidiaries services fees, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=324492>). Get a receipt (find local cadastral offices at <http://www.cadastru.md/eservicii/>).
  - b. Submit the original agreement and two copies of the rental agreement, the registration receipt and a personal ID (Registration Certificate for companies) to the local cadastral office for registration.

### 3.3 Develop Your Site

Building produce storage facilities (cold stores, etc.) requires construction authorization. According to the World Bank *Doing Business 2012* report, obtaining a construction permit took 27 procedures and 291 days in 2011. Note that the regulations have recently been amended and this should take less time in 2012. There are three important documents that must be obtained by the investor in order to have his construction authorized: a Construction Design Certificate, Construction Project Documents and a Building Permit. According to *Doing Business 2012*, Moldova stands at 164 in the ranking of 183 global economies on the ease of dealing with construction permits. However, this ranking should improve in the coming year, as the law dealing with construction permits was revised just after the cut-off date for the latest *Doing Business Report* ranking.

Prior to begin construction works, the investor must:

1. Visit <https://www.cadastru.md/eservicii/webinfo-es/f?p=108:1:760424325215249> e-service webpage and make an electronic request for the storage facility Land Ownership Statement from the Real Estate Register (or locate and visit the local cadastral office and request the Land Extract from the Real Estate Register. Find local cadastral offices at <https://www.cadastru.md/eservicii/>).
2. Submit the Land Ownership Statement and personal ID to district architecture department and request a Construction Design Certificate (locate district public administration bodies at:

[http://yellowpages.md/rom/search\\_rub/primaria/7711/autoritatile-locale/](http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/)). Obtain the certificate within 20 days.

3. Contact a construction design company to elaborate the storage facility blueprints and design documents (find design companies at the website of the License Chamber: <http://www.licentiere.gov.md/licentaresult.php?l=ro>).
4. Submit the project documents to IES local office (find local offices at: <http://inseco.gov.md/despre-inspectorat/>), CNSP local office (find local office at: <http://www.cnsp.md/info.php?id1=44&id2=0>), SPCSE (find district at: <http://www.dse.md/proj/>), receive inspections and obtain Acceptance Notices.
5. Submit the storage facility Land Ownership Statement to the Real Estate Register, the Construction Design Certificate, the Project Design Documents and the Acceptance Notices to the mayor's office and ask for a Building Permit. Receive the Permit in within 10 days.
6. Register the construction with the State Construction Inspection (see <http://www.mdrc.gov.md/pageview.php?l=ro&idc=57&t=/Arhitectura-si-Urbanism/Inspectia-de-stat-in-constructii>).
7. Start construction.
8. Connect utilities: electricity (download contract templates from: <http://www.gasnaturalfenosa.md/download/modele-contracte>, see how to connect electricity at: <http://www.gasnaturalfenosa.md/page/lista-dumentelor-necesare-pentru-semnarea-contractului>),

gas (download contract template and see how to connect to gas distribution network at: <http://www.moldovagaz.md/menu/ro/consumers/legislation>).

## References

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1. Law Nr. 163 of 09.07.2010 on construction works authorization,  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=335823>

## Attention!

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- \*\* The cost for a Construction Design Certificate is 10 MDL + 0.01 MDL/m<sup>2</sup> for urban areas and 5MDL+0.005MDL/m<sup>2</sup> for rural areas. The Construction Design Certificate is issued within 10 days and is valid for 24 months.
- \*\* A Building Permit is delivered within 10 days and costs between 4,000-20,000 MDL, depending on the value of construction.
- \*\* Law Nr. 163 of 09.07.2010 on construction works authorization provides samples of the Construction Design Certificate, and Building Permit, see:  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=335823>).

## Where To Go

Institution	Contacts
IS Cadastru	47, Pushkin str., tel. 88-10-00, fax 22-55-62, e-mail: <a href="mailto:info@cadastru.md">info@cadastru.md</a> , find local offices at: <a href="http://www.cadastru.md/eservicii/">http://www.cadastru.md/eservicii/</a>
State Construction Inspection	9, Cosmonauților str., Chișinău, tel. 23-80-24, locate at: <a href="http://www.iscrm.md">http://www.iscrm.md</a>
AAM	5, Gheorghe Tudor str., Chișinău, tel. 28-07-00, Fax: 28-08-22, e-mail: Agenția_am@apele.gov.md, <a href="http://apelemoldovei.gov.md">http://apelemoldovei.gov.md</a>
CNSP	67/a, Gh. Asachi str., Tel. 574-501, Fax. 729-725, e-mail: <a href="mailto:cnsn@cnsn.md">cnsn@cnsn.md</a> , find local offices at: <a href="http://www.cnsn.md/info.php?id1=44&amp;id2=0">http://www.cnsn.md/info.php?id1=44&amp;id2=0</a>
SPCSE	75/3, Alba Iulia Blvd., Chișinău, Tel. 71-92-04, Fax: 75-34-10, find district offices at: <a href="http://www.dse.md">http://www.dse.md</a>
IES	9, Cosmonauților str., Chișinău, Tel. 22-69-41, Fax: 22-69-15, <a href="mailto:ies@mediu.gov.md">ies@mediu.gov.md</a> , find local offices at: <a href="http://inseco.gov.md/despre-inspectorat/">http://inseco.gov.md/despre-inspectorat/</a>
district architecture department	locate district architecture department within the district public administration bodies at: <a href="http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/">http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/</a>
Construction design companies	find design companies at: <a href="http://www.licentiere.gov.md/licentaresult.php?l=ro">http://www.licentiere.gov.md/licentaresult.php?l=ro</a>

FCE Gas Union Fenosa JSC	4, A. Doga str., Chişinău, Tel.43-11-11. find local offices at: <a href="http://www.gasnaturalfenosa.md/page/telefoane-de-contact">http://www.gasnaturalfenosa.md/page/telefoane-de-contact</a>
RED Nord JSC	180-A, Ştefan cel Mare Blvd., Bălţi, Tel. 0231-53118, find local offices at: <a href="http://www.yollowpages.md/rom/rub/7770/8523/7772/energie-electrica/">http://www.yollowpages.md/rom/rub/7770/8523/7772/energie-electrica/</a>
RED Nord-Vest JSC	30, Ştefan cel Mare Blvd., Donduşeni, Tel. 0251 22306, Fax. 0251 24279
Moldova-Gaz JSC	38, Albişoara str., Chişinău, <a href="http://www.moldovagz.md">http://www.moldovagz.md</a>

## 3.4 Mobilizing Financial Resources

Opportunities to access finance to support agriculture development have been constantly growing. The fourteen active Moldovan commercial banks are agriculture's most important creditor. Banks usually lend to agriculture businesses from their own sources and from international donor program - credit lines programs like:

1. Access to Agricultural Finance Activity, which is providing financial and technical assistance to support post-harvest HVA related investments. This is part of the Transition to High Value Agriculture Project (MCA, at [http://www.mca.gov.md/ro/activities\\_Tr.html](http://www.mca.gov.md/ro/activities_Tr.html)): the project aims to increase agricultural incomes by stimulating the production and improved marketing of high value fruit and vegetables. Under the project, Moldova's MCC Compact funding will rehabilitate up to 11 large irrigation systems servicing 15,500 hectares, providing water for high value fruits and vegetables as well as higher yielding grain production.
2. Rural Financial Services and Agribusiness Development Project (IFAD V, <http://www.ifad.md>): this is the fifth project implemented by IFAD in Moldova and is designed to reduce poverty among poor rural people by helping to establish competitive commodity value chains. The total cost of the projects implemented by IFAD since 1999 amounts to USD 116.3 million.
3. Rural Investment and Services Project (RISP II, <http://www.capmu.md/>): this is a World Bank-sponsored project aiming at continuing to foster post-privatization growth in the agricultural and



rural sectors, by improving access of farmers and rural entrepreneurs to knowledge, know-how and finance. The project is estimated at about 21 million USD.

4. MAC-P (<http://www.capmu.md/>): Project co-funded by the Government of Sweden, the Republic of Moldova and the Global Environmental Fund. The project aims at developing the competitiveness of agriculture in Moldova by supporting the modernization of food safety management system, implementation of environmental practices and sustainable land management. In particular, the project will improve post-processing infrastructure, the organization of agricultural producers by providing investment grants. The project is worth USD 37.4 million.

Wine Sector Restructuring Program (funded by the European Investment Bank, find more at: <http://winemoldova.md/despre.php?lng=>): the project, which is worth €75 million, addresses the structural weaknesses of the Moldovan wine industry, from vineyard to final packaging and dispatch of wine.

Finance programs supported directly by the Government of Moldova include the following:

1. PARE 1+1: the program is set to attract remittances from Moldovan migrants working abroad to the economy, by providing informative, consultative and administrative support in order to start businesses, as well as by co-financing their investments.
2. Economic Empowerment of Young People Program (PNAET, find more at:

[http://www.odimm.md/index.php?option=com\\_content&view=article&id=36&Itemid=183&lang=ro](http://www.odimm.md/index.php?option=com_content&view=article&id=36&Itemid=183&lang=ro)): the program aims at developing young people's (18-30 years old) entrepreneurial abilities and helping them launch or extend a private business in rural areas.

In 2012, commercial banks have provided loans to agriculture and food industry worth MDL 4.23 billion. Agriculture accounted for 33.5% or MDL 1.39 billion. This trend is explained primarily by the size of the food businesses: overall, the average value of a loan contracted by companies in the food industry is significantly above the average value of an agricultural loan. This shows that primary agriculture businesses are much smaller and more fragmented.

In order to gain access to local finance, investors need to:

1. Study programs and partner banks credit offers (find banks contacts at: [http://www.bnm.md/md/list\\_licensed\\_banks\\_md](http://www.bnm.md/md/list_licensed_banks_md)).
2. Learn about available international credit and co-financing programs in agriculture and find compatible programs (find more on local and international credit and co-financing programs in agriculture at: <http://businessportal.md/en/projects/finantare/>).
3. Find a business consultant and elaborate a Business Plan (find local business consultants at: <http://yellowpages.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/>).

4. Adjust credit applications to program implementation units' standards and apply for a credit.

### 3.4.1 Access to Subsidies and Insurance Services

In Moldova, subsidies are granted to agriculture businesses for specific support measures (see GD Nr. 152 of 26.02.2013 on approved methods for use of subsidized funding for agricultural producers in 2013). The subsidy fund is managed by the Agency for Interventions and Payments in Agriculture (AIPA) which has 37 local offices. In 2012, the subsidy fund for the local producers totaled nearly MDL 400 million. The same amount from the state budget was projected for 2013. Among the support measures, there is also an agriculture insurance subsidy. In order to benefit from Government subsidies, agriculture businessmen must:

1. Check their eligibility (see GD Nr. 152 of 26.02.2013 on Government subsidies for 2013, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=346879>).
2. Request a subsidy application template from AIPA local office (find local offices at: <http://www.aipa.md/index.php/office>).
3. Become a member of a relevant professional association in your business area and request a membership certificate from your professional association (see template at: Law Nr. 257-XVI of 27.07.2006 on agriculture products markets organization and operating, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=317187>).
4. Between February 15 and October 31 (except type 2) every year, submit to the regional office of AIPA: application form for financial support for the subsidy concerned, copy of registration certificate, business plan drawn up for a period of at least 3 years (to access 6 and 8 support

types), affidavit of data and documents submitted, document certifying the qualification in the concerned investment segment (including copies of diplomas or training certificates), certificate confirming membership to a professional association, copy of the financial report for the previous year, copy of the debt restructuring agreement (where the person has revenue and tax debts), certificate issued by commercial bank specifying the account number in MDL.

5. Sign the Financial support agreement with AIPA.

6. Receive the subsidy transfer from the Finance Ministry.

The sector of agricultural insurances is under-developed, as only 3% of the cultivated areas are presently insured. Prior to the market liberalization in 2012, only two insurers were eligible for subsidized agricultural insurance services. By modifying the requirements imposed to insurers, more companies have access to the subsidy Fund (amendment to art. 15 of Law no. 243 of 08.07.2004).

In order to insure a crop, investors have to:

1. Register the cereals, vegetables and fruit trees plantings at the mayor's office.

2. Sign an insurance contract with an insurance company.

3. In case of damage:

a) For cereals, vegetables and fruit trees plantation, make a damage claim to the insurance

company and mayor's office within 48 hours after damage occurred.

- b) For livestock, make a damage claim to the insurance company and local office of the ASV (find local offices at: <http://www.asv.gov.md/index.php?p=contacte>).
4. The insurer is required to draw up a document establishing the damages, which is signed by the insurer, the insured, the rayon agricultural representative and the representative of AIPA:
- a. Upon the insurance of crops, within 10 days of the receipt of notification on the insured case, with the participation of the rayon agricultural division representative, the representative of the Agency for Intervention and Payments in Agriculture and the insured person;
  - b. Upon the insurance of animals, within 15 days of the notification receipt on the insured case, with the participation of the representatives of the insured person and of the state veterinary service.

The insurance company pays the damages within 10 days after the expert damage evaluation is signed.

## References

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- 1. GD Nr. 152 of 26.02.2013 on approving methods for use of subsidizing fund for agricultural producers in 2013, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=346879>.
- 2. Law Nr.243-XV of 08.07.2004 on subsidized insurance of production risks in agriculture, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=313052>.

3. Law Nr. 257-XVI of 27.07.2007 on organization and operating of agriculture product markets,  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=317187>.

## Attention!

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- \*\* The Agriculture Subsidy Fund in 2013 was raised to 400 million MDL (see GD Nr. 152 of 26.02.2013 on approving methods for use of subsidizing fund for agricultural producers in 2013 to see fund application directions).
- \*\* The government subsidizes 60% of the insurance premiums (in value) for perennial plantings, sugar beet and vegetables and 50% of other crops and livestock insurance (see Law no. 243 of 08.07.2004 on providing subsidized insurance services of the production risks in agriculture, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=313052>).

## Where To Go

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Institution	Contacts
Commercial banks	<a href="http://www.bnm.md/md/list_licensed_banks_md">http://www.bnm.md/md/list_licensed_banks_md</a>
Donor and Government-sponsored programs in agriculture	<a href="http://businessportal.md/en/projects/finantare/">http://businessportal.md/en/projects/finantare/</a>
Business consultants	<a href="http://yellowpages.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/">http://yellowpages.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/</a>
Insurance companies	<a href="http://www.asigurare.md/ro/content/105/">http://www.asigurare.md/ro/content/105/</a>

Agency for Intervention and Payments in Agriculture	162 Ștefan cel Mare Blvd., Chișinău, Tel. 22-38-80, 21-01-94. find local offices at: <a href="http://www.aipa.md/index.php/office">http://www.aipa.md/index.php/office</a>
National Agency for Food Safety	162 Ștefan cel Mare Blvd., Chișinău, Tel/fax: + 373 210157 e-mail: <a href="mailto:asv@maia.gov.md">asv@maia.gov.md</a> , find local offices at: <a href="http://www.asv.gov.md/index.php?p=contacte">http://www.asv.gov.md/index.php?p=contacte</a>

### 3.5 Irrigation

In Moldova, irrigation is dependent on the use of surface water (rivers, lakes and ponds). Because of generally low quality drinking water, groundwater is a strategic resource and according to IES, irrigation from groundwater (i.e. water wells) is forbidden.

The problem of good quality water access has pushed the Government to encourage cooperative irrigation through Water Users Association (WUA), which makes irrigation more affordable. The rehabilitation of the Soviet-era centralized irrigation infrastructure along Nistru and Prut Border Rivers through international donor projects (e.g. Millennium Challenge COMPACT) is perceived as a long term solution for making irrigation less problematic for agriculture businesses.

Presently, according to the new Law on Water, farmers can irrigate from surface water only after receiving the authorization for special use of water.

The cost of water depends how far or close is the irrigated plot of land from the water pump station and the altitude at which water must be pumped. The cost typically ranges from two to four lei per one

cubic meter of water.

### 3.5.1 Obtain Irrigation Authorization

1. Make calculation of necessary volumes of water.
2. Submit water need calculations to AAM ([apelemoldovei.gov.md](http://apelemoldovei.gov.md)). Receive an Acceptance Notice.
3. Submit water samples to CNSP (National Center for Public Health) local office (find local office at: <http://www.cnsp.md/info.php?id1=44&id2=0>). Receive an Acceptance Notice.
4. Submit to the territorial office of IES - Ecological Inspectorate (<http://inseco.gov.md/despre-inspectorat/>): application for environmental Permit for special water use, opinions of the State Agency "Apele Moldovei" and NCPH, the calculated volume of the water intended for use, indication of the calculation method of the used and discharged water, action plan on the protection of water resources during the use of water, description of water use purpose and method compliant to the application, ground plan of the water body specifying the hydraulic or other type of construction. The authorization is submitted in 4 months (valid for 12 years). The Water Law no.272 of 23.12.2011. Link <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=342978>



## References

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- 1) The Law on Water no. 272 of 23.12.2011. Link

<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=342978>

## Where To Go

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Institution	Contacts
AAM	5, Gheorghe Tudor str., Chişinău, tel. 28-07-00, Fax: 28-08-22, e-mail: Agenția_am@apele.gov.md, <a href="http://apelemoldovei.gov.md">http://apelemoldovei.gov.md</a>
CNSP	67/a, Gh. Asachi str., Tel. 574-501, Fax. 729-725, e-mail: <a href="mailto:cnspl@cnsp.md">cnspl@cnsp.md</a> , find local offices at: <a href="http://www.cnsp.md/info.php?id1=44&amp;id2=0">http://www.cnsp.md/info.php?id1=44&amp;id2=0</a>
IES	9, Cosmonauţilor str., Chişinău, Tel. 22-69-41, Fax: 22-69-15, <a href="mailto:ies@mediu.gov.md">ies@mediu.gov.md</a> , find local offices at: <a href="http://inseco.gov.md/despre-inspectorat/">http://inseco.gov.md/despre-inspectorat/</a>

## 3.6 Cold Storage Facilities

Presently, there are over 100 functional agriculture cold storage facilities nationwide with a capacity of nearly 80,000 tons. Experts estimate this storage capacity is only 10% of what is necessary. Apples account for over 80% of stored products. Cold storage facilities can be built on both construction use and agriculture land use areas.

According to the EU Twinning expert estimates, only 33% of towns and 1% of villages hold urban planning documents, developed and adapted to current social and economic conditions. Since only a few localities have a City Planning (see example of Chişinău City Planning at <http://www.chisinau.md/doc.php?l=ro&idc=501&id=1004>), most cold storage facilities are built within localities' built-up areas (on construction use land), which is negative in terms of the desirability of locating the storage facilities near the fields.

Building a cold store facility is similar to building a production facility and it relies on obtaining a Building permit (see Develop Your Site above).

## 4 . OPERATING

### 4.1 Access to Seeds and Planting Material

In Moldova, only registered varieties of seeds and planting material can be used in agriculture. All these are summarized in Moldova's Register of Plant Varieties (RPV), <http://www.maia.gov.md/doc.php?l=ro&idc=77&id=13996>). Seeds and planting material that are not in the RPV must be registered prior to being utilized in agriculture. Registration is performed by Moldova's Plant Testing State Commission after tests are conducted over a period of one to two years for one year crops and three to five years for grape and fruit varieties.

The local market in seeds and planting material is generally well supplied (local suppliers/distributors can be found at [http://yellowpages.md/rom/search\\_rub/seminte/8727/seminte](http://yellowpages.md/rom/search_rub/seminte/8727/seminte), or [http://yellowpages.md/rom/search\\_rub/rasad/8068/rasaduri-de-legume](http://yellowpages.md/rom/search_rub/rasad/8068/rasaduri-de-legume)). In 2010, it consisted of over 150 local producers and over 250 importers (distributors).

Aside from the local products, investors also have the option to personally import seeds and planting material. Seed and planting material businesses carrying out import and trading operations have been removed from the licensed economic activities list.

### 4.1.1 Imported Seeds and Planting Material

Imports have a decreasing but still significant impact on local seeds and planting material. The vegetable seed market is mostly dependent on imports, as the supply comes from 15 local producers and nearly 200 importers. However, local producers of horticultural planting material (over 100) are much more numerous than horticultural planting material importers (nearly 40 importers). Prior to importing, all importers must have their storage facilities inspected by the phytosanitary supervision bodies. In order to import seeds and planting materials dealers must:

1. Prepare a storage facility, apply for an inspection at the local office of ANSA (National Agency for Food Safety) and apply for a Phytosanitary Certification of the storing facility (locate district division of ANSA district public administration bodies at: [http://yellowpages.md/rom/search\\_rub/primaria/7711/autoritatile-locale/](http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/)). Obtain an inspection statement.
2. Sign an Import contract with a foreign supplier and request a Phytosanitary Certificate from the exporter.
3. Get the MAFI opinion on seed import operations - submit (i) import delivery contract, specifying each batch of seeds and (ii) phytosanitary certificate issued by the competent authority of the exporting country

At least 10 days prior to import, submit the following documents to the local office of ANSA for phytosanitary quarantine permit upon seed import, a copy of the import contract, storage facility Inspection Statement and Import Phytosanitary Certificate receipt. Receive your Import Phytosanitary Certificate within maximum 10 days (see tariffs at:

<http://lex.justice.md/md/336925/>, Annex 2).

Submit to the customs office (i) phytosanitary quarantine permit on seed import issued by ANSA territorial office, (ii) phytosanitary Certificate issued by the relevant authority in the exporting country, (iii) quality certificate on the import of seed (green template) and planting material (white template), issued by the ANSA territorial office. Pay duties and related tariffs (check customs import tariffs at: <http://www.customs.gov.md/index.php?id=1980>)

#### 4.1.2 Register new varieties of seeds and planting material

Businesses that want to use planting material that is not registered in Moldova's Register of plant varieties have the option of registering it themselves, although this process does require considerable time and expense. In order to register a new seed or plant material, the investor has to:

1. Apply for seeds or planting material samples import authorization from the CSTSP (162, Ștefan cel Mare Blvd., Chișinău, Tel.22-03-00, Fax 21-15-37).
2. Import samples of new seeds and plant material (Request a Phytosanitary Certificate from the foreign supplier).
3. Prepare a planting material description.
4. Make four pictures of the planting material (seeds and mature plants).
5. Request a planting material registration application and a technical questionnaire from the CSTSP. Fill in the contents.

6. Submit planting material samples, planting material description, technical questionnaire, four pictures of the planting material to Plant Testing State Commission. Pay registration fee (see fees at: <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=296789>).
7. Receive the Registration Certificate from the State Commission for Plant Variety Testing (162, Ștefan cel Mare Blvd., Chișinău, Tel.22-03-00, Fax 21-15-37).

## References

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1. Nr. 228 of 23.09.2010 on plant protection and phytosanitary quarantine, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=336925>
2. Law Nr. 728-XIII of 06.02.1996 on fruit trees, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311717>
3. Law no. 68 of 05.04.2013 on seeds, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=348373>
4. Law Nr. 755 of 21.12.2001 on biologic security, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312871>
5. Law on accreditation and conformity assessment, no. 235 of 01.12.2011, <http://lex.justice.md/md/342417>, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312168>
6. Law Nr. 57-XVI of 10.03.2006 on vineyards and wine, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=316207>
7. Law Nr. 39-XVI on 29.02.2008 on plant protection,

<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=328050>

8. GD 774 of 13.08.97 on taxes for intellectual property protection services,  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=296789>.

## Attention!

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- \*\* The testing process for vegetable seeds and planting material generally lasts for two years.
- \*\* Fruit trees and vine planting material are tested for 3-7 years.
- \*\* The testing process evaluates the economic as well as the agronomic viability and phytosanitary risks of the material.

## Where To Go

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Institution	Contacts
ANSA	162, Ștefan cel Mare Blvd., Chișinău, Tel. 21-05-36
Chișinău Phytosanitary Quarantine Department	100B, Ialoveni str., Chișinău, tel. 28-44-42
CSTSP, CNSP(l)	162, Ștefan cel Mare Blvd., Chișinău, Tel.22-03-00, Fax.21-15-37

## 4.2 Access to Plant Protection Products

In Moldova, only registered plant protection products (phytosanitary products and fertilizers) can legally be used in agriculture. All registered products are summarized in Moldova's Register of Plant Protection Products (RPPP, see it at: <http://pesticide-md.com/registrul/>). The importation, wholesale distribution, and retail sale of phytosanitary products and fertilizers are licensed activities. About 345 companies were engaged in this type of activity in 2011 (see plant protection products importers and distributors at: <http://www.licentiere.gov.md/licentiaresult.php?l=ro>).

### 4.2.1 Buy Plant Protection Products from Local Distributors

In order to properly comply with local regulations, the following steps need to be followed in the process of procuring plant protection products locally:

1. Find a local office of CNSP and apply for Storage Authorization (find local office at: <http://www.cnsp.md/info.php?id1=44&id2=0>).
2. Submit the Storage Authorization application to the local office of ANSA (locate the district division of ANSA within the district public administration bodies at: [http://yellowpages.md/rom/search\\_rub/primaria/7711/autoritatile-locale/](http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/)), IES (find local offices at: <http://inseco.gov.md/despre-inspectorat/>), SPCSE (find district at: <http://www.dse.md/>) and receive Acceptance Notices.



3. Find local suppliers at: <http://www.licentiere.gov.md/licentaresult.php?l=ro>).
4. Buy phytosanitary products and fertilizers, request a Phytosanitary Certificate with each.

### 4.2.2 Import Plant Protection Products

The domestic plant protection product market is mainly made up of imports. Statistics as of 2012 show that the Republic of Moldova has imported over 490,000 t. of mineral and chemical fertilizers worth USD 40.3 million<sup>3</sup>. Because plant protection products are imported, wholesale and retail distribution of these products is part of licensed activities. Investors planning to import these products have to accordingly be licensed (see licensed activities in Moldova at: <http://licentiere.gov.md/pageview.php?l=ro&idc=22&nod=1&>).

In order to be licensed to import plant protection materials, the investor must:

1. Submit the company Registration Certificate, Ownership Statement from the Real Estate Register (where the activity shall be performed), copies of employees' graduation diplomas showing that the employees have specific education in the field of plant protection products (see conditions to obtain and extend the term of the license: <http://www.licentiere.gov.md/public/files/Ghid/Conditii%20%20de%20licentiere/14.pdf>).
2. Find a local office of the CNSP and apply for an inspection. Receive a Storage Authorization (find local office at: <http://www.cnsp.md/info.php?id1=44&id2=0>).

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<sup>3</sup> <http://www.statistica.md/newsview.php?l=ro&idc=168&id=3978>

3. Submit the Storage Authorization to the local office of ANSA (locate district division of ANSA in district public administration bodies at: [http://yellowpages.md/rom/search\\_rub/primaria/7711/autoritatile-locale/](http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/)), the IES (find local offices at: <http://inseco.gov.md/despre-inspectorat/>), and to the SPCSE (find district at: <http://www.dse.md/>) and receive Acceptance Notices.
4. Sign an import agreement with a foreign supplier and request a Phytosanitary Certificate from the supplier.
5. Submit to the Customs Office the Import License, import contract, and Phytosanitary Certificate to customs authorities, pay customs tariffs and fees (see import tariffs at: <http://www.customs.gov.md/index.php?id=16> and customs duties at: <http://www.customs.gov.md/index.php?id=20>).

#### 4.2.3 Register New Types of Plant Protection Products

Businesses that want to use plant protection products that are not registered in Moldova's RPPP are required to register those new products there. In order to comply with this standard, the investor has to:

1. Apply for plant protection product samples import authorization from the CSAOPUFF (State Center for Certification and Approval of Phytosanitary Products and Fertilizers) (16A, Sarmizegetusa str., Chişinău, Tel. 55-26-73, Fax. 63-90-30).

2. Import samples of new plant protection products (request the product's phytosanitary certificate and toxicological file from the foreign supplier).
3. Submit imported samples and the toxicological file to CSAOPUFF or subordinate institutions (find subordinated institutions at: <http://pesticide-md.com/institutes/>) and apply for phytosanitary product registration.
4. Sign a collaboration agreement with CSAOPUFF and pay the registration fee (see fees in Annex to GD Nr.200 of 27.03.1995, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=295944>).
5. Receive the registration certificate from the CSAOPUFF (find contacts at: <http://www.pesticide-md.com/contacts/>).

## References

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1. Law Nr. 119 of 22.06.2004 on phytosanitary products and fertilizers, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312742>
2. GD Nr. 1045 of 05.10.2005 on Regulation regarding import, storage, trade and use of the phytosanitary products and fertilizers, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=295628>
3. GD Nr. 1307 of 12.12.2005 on regulation regarding the approval of phytosanitary products and fertilizers, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=298727>
4. GD Nr. 200 of 27.03.1995 on regulation regarding tariffs for plant protection products research-testing-experimenting, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=295944>.

## Where To Go

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Institution	Contacts
CNSP	67/a, Gh. Asachi str., Chişinău, Tel. 574-501, Fax: 729-725, E-mail: <a href="mailto:cnsn@cnsn.md">cnsn@cnsn.md</a> , find local office at: <a href="http://www.cnsn.md/info.php?id1=44&amp;id2=0">http://www.cnsn.md/info.php?id1=44&amp;id2=0</a>
ANSA	162, Ştefan cel Mare Blvd., Chişinău, Tel. 21-05-36, locate district division of IGSFCS district public administration bodies at: <a href="http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/">yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/</a>
Rayon department of civil protection and emergency situations	75/3, Alba Iulia Blvd., Chişinău, Tel. 71-92-04, Fax: 75-34-10, find district offices at: <a href="http://www.dse.md/">http://www.dse.md/</a>
IES	9, Cosmonauţilor str., Chişinău, Tel. 22-69-41, Fax: 22-69-15, <a href="mailto:ies@mediu.gov.md">ies@mediu.gov.md</a> , find local offices at: <a href="http://inseco.gov.md/despre-inspectorat/">http://inseco.gov.md/despre-inspectorat/</a>
CSAOPUFF	16A, Sarmizegetusa str., Chişinău, Tel. 55-26-73, Fax. 63-90-30. <a href="http://pesticide-md.com/">http://pesticide-md.com/</a>
Licensing Chamber	124 Ştefan cel Mare Blvd., Chişinău, Tel. 54-21-14, Hot Line: 27-22-21, Fax. 54-21-14, <a href="http://licentiere.gov.md">http://licentiere.gov.md</a>
Plant protection products suppliers	<a href="http://www.licentiere.gov.md/licentaresult.php?l=ro">http://www.licentiere.gov.md/licentaresult.php?l=ro</a>

## 4.3 Tax Registration and Payment

In Moldova, businesses pay taxes from their corporate bank account to special treasury accounts that are provided at the moment of company registration (by IFSP, CNAS, and CNAM). There are several steps in processing tax payments. A good first step is to get familiar with the Moldova tax system (see the Tax Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326971>). There are three major types of taxes:

1. General taxes (Income Tax, Value-Added Tax, Excise Tax, Public Property Privatization Tax, Customs Duties, Road Taxes);
2. Local taxes (Real estate tax, tax on land planning, tax on the organization of auctions and lotteries on the administrative-territorial units, tax on the location and placement of advertisements, tax on the use of local symbols, tax on units carrying out trading operations or providing social services, marketplace tax, accommodation tax, spa taxes, tax on passenger auto transportation services in municipalities, towns and villages (communes), parking fees, tax on dog ownership, tax on parking lots, tax on street trading or service-rendering units, tax on waste disposal, tax on advertising devices;
3. Social and Health insurance contributions.

### 4.3.1 Paying Taxes

Special treasury accounts are provided to each company at the time of registration. Taxes are payable electronically, through bank transfer to designated accounts via commercial banks' client-bank internet applications (made available by each commercial bank on its website). Some banks provide free technical assistance if a specific application must be installed on client's computer.

Generally, paying taxes begins with requesting updated information from the local tax office (locate local offices at: <http://www.fisc.md/IFSTeritorialeContacte.aspx/>) about the latest changes to tax rates and to the account where taxes must be transferred (online help at: <servicii.fisc.md/Companies.aspx>).

For general taxes, there is also a taxpayer tax calendar available showing when tax reports must be submitted (<servicii.fisc.md/Calendar.aspx>).

To pay general taxes, the investor has to:

1. Log in to bank's client-bank application, authorize the transfer and electronically transfer the taxes.
2. Download Tax report templates (<https://servicii.fisc.md/formulare.aspx>), fill in the contents and submit it to your local Tax Service office.

According to Art. 187 of the Tax Code, starting from 1 January 2013 all taxpayers who are subject to taxation with VAT (see Attention below) are required to present reports relating to the payment of taxes, in electronic form, through the IFPS online portal (<https://servicii.fisc.md/Default.aspx>). To do this, taxpayers must register as users, submit a digital signature application and ultimately receive the digital signature. This option can also be used by companies that are not VAT-charged.

## References

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1. Tax Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326971>.
2. Law Nr. 54 of 31.03.2011 on social insurance budget in 2011, <http://www.cnas.md/libview.php?l=ro&idc=183&id=1592>.
3. Law Nr. 55 of 31.03.2011 on health insurance budget in 2011, <http://cnam.md/?page=36>.

## Attention!

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- \*\* At present the corporate income tax rate is 12%.
- \*\* Persons subject to entrepreneurial activity in the Republic of Moldova retain and pay a 6% tax on dividends.
- \*\* A general tax of 3% is to be paid by small and medium companies with annual sales below MDL 100,000.
- \*\* The economic operator is required to register as a VAT payer if the goods and services delivered by the company within 12 consecutive months exceed MDL 600,000 in value and has the right to become VAT payer if the value of deliveries (by transfer) exceeds MDL 100,000. The standard rate of VAT in the Republic of Moldova is 20%.

## Where To Go

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Institution	Contacts
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IFPS	9, Cosmonauților str., Chișinău, Tel. 22-06-93, 82-33-53, Fax. 82-33-54, E-mail: <a href="mailto:mail@fisc.md">mail@fisc.md</a> . find local offices at: <a href="http://www.fisc.md/ro/about/teritorial/">http://www.fisc.md/ro/about/teritorial/</a>
CNAS	3, Gh. Tudor Str., Chișinău, Tel. 28-61-15, e-mail: <a href="mailto:info@cnas.gov.md">info@cnas.gov.md</a> . find local offices at: <a href="http://www.cnas.md/regionmap.php?l=ro&amp;idc=175&amp;">http://www.cnas.md/regionmap.php?l=ro&amp;idc=175&amp;</a>
CNAM	12, Grigore Vieru str., Chișinău, Tel. 59-37-91, Fax. 22-61-84 e-mail: <a href="mailto:info@cnam.md">info@cnam.md</a> , find local offices at: <a href="http://cnam.md/?page=21">http://cnam.md/?page=21</a>

## 4.4 Export Operations

Before engaging in export operations, exporters must consider the following international trade agreements:

1. Moldova has been a member of the World Trade Organization since 26-07-2001. Accordingly, it applies all WTO terms, including the favored nation status on trade with other member states.
2. The EU27 has granted Moldova a preferential trade regime (Autonomous Trade Preferences agreement), according to which exports from Moldova are exempted from quantity restrictions and customs duties, excepting a limited list of products under quantity restrictions (meat, dairy products, eggs, corn, sugar, wine, barley and wheat). Currently, Moldova has concluded negotiations with the European Union to sign the Deep and Comprehensive Free Trade Agreement (DCFTA) (see more details about DCFTA) at <http://www.mec.gov.md/legislatie-zona-de-liber-schimb-aprofundat-si-cuprinzator-zlsac/>) The Agreement is projected to be signed in 2014.
3. Moldova is part of the Free Trade Area within the CIS. The agreement provides for trade liberalization by canceling customs duties, tariff and non-tariff barriers and simplification of trade

relations between the signatory states. The Treaty replaces 100 bilateral agreements (interstate and intergovernmental) that were governing the trade and free trade regimes in the CIS. Russia, Ukraine, Belarus, Kazakhstan, Armenia and Moldova have ratified the agreement. Kirghizstan and Tajikistan are expected to ratify the agreement in the nearest future.

Moldova is a member of the Central European Free Trade Agreement (including Albania, Bosnia and Herzegovina, Croatia, Macedonia, Serbia, Montenegro and Kosovo). Under the agreement, trade between members is exempted from quantity restrictions but customs duties are applied.

In order to export, follow these steps:

1. Submit copies of company registration certificate, tax identification number assignment certificate and a registration application to local Customs Service bureau (find local Customs Service offices at: <http://www.customs.gov.md/index.php?id=44>) and register as exporter.
2. Sign a sales contract with a foreign client.
3. Find a certification company and perform a Product Conformity Certification. Request a Product Conformity Certificate (visit website of CAECP Evaluation: <http://www.acreditare.md/doc.php?l=ro&idc=36&id=350&t=/Noutati/Legislatie-si-Utilitati/Registrul-organismelor-de-evalua-re-a-conformitatii-acreditate>).
4. For exports to UE27, CEFTA and Commonwealth of Independent States countries, request a Certificate of Origin from Customs Service local office: type “A”, “CT-1”, “EUR.1” certificates of origin (see Annex 2 of the Customs Code to learn about the Certificate of Origin issuance fees: <http://vama.md/menu/Anexa%202->

[3%20la%20Legea%20Nr.%201380%20cu%20privire%20la%20tariful%20vamal.html](http://3%20la%20Legea%20Nr.%201380%20cu%20privire%20la%20tariful%20vamal.html)). For export to other countries, request a Certificate of Origin from the Chamber of Commerce and Industry of Moldova local office (type “C” non-preferential certificate of origin). Find Trade and Industry Chamber local offices at: <http://yellowpages.md/rom/rubrics/tree/7480/7484/8311-servicii-vamale/>).

5. At least 24 hours prior to export, apply to the local office of National Agency for Food Safety for a Phytosanitary Certificate and submit: sales contract and invoice copies, certificate of origin, import permit from destination country (this procedure refers to unprocessed agriculture products), phytosanitary certificate of the country of origin (locate District office of NAFS within the district public administration bodies at: [http://yellowpages.md/rom/search\\_rub/primaria/7711/autoritatile-locale/](http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/)).
6. Find a customs broker to prepare a customs declaration (find customs brokers at: <http://vama.md/company/public/membrii>).
7. Submit copies of company founding documents, sales contract, invoice, phytosanitary certificate to local office of Customs Service. Pay customs duties (see customs duties at Annex 2 at: <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=319952>).
8. Submit to local office of Tax Service (find local offices of Tax Service at: <http://www.fisc.md/IFSTeritorialeContacte.aspx/>) in order to apply for a VAT refund: VAT declaration (see <https://servicii.fisc.md/formulare.aspx?tm=5&pt=0> / to download the template and find completion guidelines). The application for VAT refund request and the actual calculation of the amount for refund are contained in Annexes 1 and 2 of the Regulation on VAT refund approved by GD no. 1024 of 01.11.2010. The procurements and deliveries register (states company’s domestic and

foreign procurements and deliveries; is completed by accountability software when invoices are accounted, see for reference: <http://www.fisc.md/ro/baza/TVA/evidenta/>), export contract, export contract invoice, export customs declaration, copy of international transport documentation. According to local regulations, VAT refund has to be made within 45 days of submission.

## References

1. Tax Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326971>
2. Customs Code, <http://www.customs.gov.md/index.php?id=11>.
3. Customs Code, <http://www.customs.gov.md/index.php?id=11>.
4. GD Nr. 1599 of 13.12.2002 of goods rules of origin  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=299658>.
5. GD no. 1024 of 01.11.2010 for the approval of the Regulation on the refund of value added tax,  
<http://lex.justice.md/md/336597/>
6. GD no. 51 of 16.01.2013 establishing the organization and functioning of the National Agency for Food Safety <http://lex.justice.md/md/346423/>

## Where To Go

Institution	Contacts
Customs Service	30, Columna str., Chişinău, Tel. 57-41-82, Fax. 27-30-61, E-mail: <a href="mailto:vama@customs.gov.md">vama@customs.gov.md</a> . find local offices at <a href="http://www.customs.gov.md/index.php?id=44">www.customs.gov.md/index.php?id=44</a>

ANSA	162, Ștefan cel Mare Blvd., Chișinău, Tel. 21-05-36, locate the district division at: <a href="http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/">http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/</a>
IFPS	9, Cosmonauților str., Chișinău, Tel. 22-06-93, 82-33-53, Fax. 82-33-54, E-mail: mail@fisc.md. Local offices at <a href="http://www.fisc.md/ro/about/teritorial/">http://www.fisc.md/ro/about/teritorial/</a>
Conformity certification companies	<a href="http://www.acreditare.md/admin/upload/Registru_OEC_acreditate_16.11.2011.pdf">www.acreditare.md/admin/upload/Registru_OEC_acreditate_16.11.2011.pdf</a>
Customs brokers	Find at: <a href="http://www.licentiere.gov.md/licentaresult.php?l=ro">http://www.licentiere.gov.md/licentaresult.php?l=ro</a>

## 4.5 Repatriation of Funds

Investors can legally repatriate the following types of funds from Moldova:

1. Profits, interests, dividends and other operational incomes;
2. Sums received on agreement basis, including loan repayments (principle and interest);
3. Royalties and other sums obtained from intellectual property rights;
4. Compensations established by Moldovan legislation;
5. Sums paid as a result of a dispute resolution;
6. Salaries and honorariums of the foreign national employed to work in connection with investments made in the Republic of Moldova;

7. Investment amounts and objects deemed as investments obtained or remaining following the termination of the company.
8. Sums or property from foreign companies' closure.

Investors can also repatriate cash less than 50,000 EUR. For cash between 10,000 – 50,000 EUR, the investor needs to request a cash repatriation authorization from the Moldova National Bank or other commercial bank by following these steps:

1. See Annex 1 to National Bank Decision Nr. 14 of 22.01.2009 on regulating cash repatriation authorization (<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=331072>) and extract a cash repatriation authorization application. Fill in the contents.
2. Residents must:
  - a) Address the local office of Tax Service and request an outstanding tax debt certificate (find local STI offices at: <http://www.fisc.md/IFSTeritorialeContacte.aspx>).
  - b) Submit the cash repatriation authorization application, passport, documents certifying the cash ownership and source (purchase agreements, inheritance certificate etc.), outstanding tax debt certificate to the BNM currency control department or commercial bank's currency control department and receive a cash repatriation authorization.

3. Non-residents must submit cash repatriation authorization application, passport, documents certifying the cash ownership and source (purchase agreements, inheritance certificate. etc.), source (purchase agreements, inheritance certificate etc.), and outstanding tax debt certificate to the BNM currency control department or a commercial bank's currency control department and receive a cash repatriation authorization.

## References

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1. Law Nr.1466-XIII of 29.01.98 on regulation of repatriation of financial resources, merchandise and services resulting from external operations,  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311599>.
2. National Bank Decision Nr. 14 of 22.01.2009 on regulating cash repatriation authorization,  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=331072>.
3. Law Nr. 81 of 18.03.2004 on investments in entrepreneurial activity,  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312880>.
4. Law nr.62–XVI of 21.03.2008 on currency regulation,  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=328534>.
5. Tax Code, <http://www.fisc.md/ro/lege/fiscrm/>.
6. Law Nr. 1569-XV of 20.12.2002 on admission and withdraw of goods from Republic of Moldova by individuals, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312785>.

## Attention!

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- \*\* Repatriation of cash equivalent of less than 10,000 euros needs no confirmative authorization.
- \*\* Investors are requested to repatriate cash and goods resulting from export/import operations within two years (in sale-purchase/barter/consignment export contracts) and within one year upon the end of the technologic cycle in processing contracts.
- \*\* Funds repatriation is closely supervised by the Customs Service and the State Fiscal Service. The failure to comply with sanctions within 2 months (0.1 percent of the non-repatriated means value for each calendar day of delay, but not exceeding 40% of the total amount) may result in suspension of import payments by commercial banks and of the export operations by the Customs Office (based on the data by the State Fiscal Service) until the enforcement of sanctions.

## Where To Go

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Institution	Contacts
BNM	1, Grigore Vieru Blvd., Chişinău. Tel. 40-91-01; <a href="http://www.bnm.md">http://www.bnm.md</a>
Commercial banks	<a href="http://www.bnm.md/md/list_licensed_banks_md">http://www.bnm.md/md/list_licensed_banks_md</a>



## 4.6 Operating Facilities in Free Economic Zones

Free economic zones (ZELs) are part of the Moldova Government's strategy for attracting foreign investments. There are now seven ZELs, located all over the country, and an international free port and airport, which are similar to free economic zones. Under international financial obligations, Moldova Government shall refrain from creating new free economic zones.

ZELs offer investors the opportunity to reduce investment risks and a more simple access to the EU and CIS markets. ZEL Residents are guaranteed the stability of law for a period of 10 years. Around 157 residents were operating in Moldovan ZELs as of 01.01.2013, employing some 6,512 people. At the end of 2012, the amount of stock investments in ZELs was USD 169.4 million. In 2012, ZELs produced goods worth MDL 2.8 billion (84.8% accounted for by industrial production).

Agriculture businesses could be interested in locating post-harvest processing, sorting, packaging and storing facilities in ZELs and thereby benefit from a number of incentives:

Incentive	Terms
VAT	0% for: <ul style="list-style-type: none"> <li>- deliveries to the free zones from outside the RM,</li> <li>- deliveries from the free zone outside the RM,</li> <li>- deliveries to the free zone from the Moldovan territory,</li> <li>- deliveries between residents of free zones in the RM</li> </ul>

Excises	<p>Exemption from excise payment for:</p> <ul style="list-style-type: none"> <li>- Imports: goods entering the free zone from outside the Republic of Moldova, from other free zones, from the rest of the country</li> <li>- Exports: goods exported outside the RM</li> <li>- deliveries of goods performed within the free zone and from one free zone to another</li> </ul>
Corporate income tax	<ul style="list-style-type: none"> <li>- 50% of the income tax rate for export operations (6%) in 2013</li> <li>- 75% of the income tax rate for other activities (9%) in 2013</li> <li>- In investments &gt; USD 1 million – 3-year exemption from tax</li> <li>- In investments &gt; USD 5 million – 5-year exemption from tax</li> </ul>
Customs tariffs on imported and exported goods	0%
Visa and registration procedure	<ul style="list-style-type: none"> <li>- No consular charges for investors and resident employees</li> <li>- the residence permit is issued upon the sole request of the ZEL Administrator</li> </ul>
Infrastructure	Available
Operating period	25-30 years
Renting options	Land for construction
Operations	<ol style="list-style-type: none"> <li>1. Manufacture of goods for export (except ethyl alcohol, alcohol and tobacco products)</li> <li>2. Storage, packaging and related activities</li> <li>3. Ancillary activities such as constructions, catering, etc.</li> </ol>

### 4.6.1 Becoming a ZEL resident

In order to become a free zone resident, a business must:

4. Comply with the following criteria:
  - a. be a registered business in Moldova,
  - b. be not involved in an insolvency procedure,
  - c. have not outstanding tax debts to the state budget.
5. Request a resident application from ZEL administrations (learn more about ZEL and find contacts at: [http://www.miepo.md/public/files/Publicatii/FeZ2010\\_FINAL.pdf](http://www.miepo.md/public/files/Publicatii/FeZ2010_FINAL.pdf)).
6. Pay the resident bid application fee (established by each ZEL administration). Request a receipt.
7. Submit to ZEL administration: resident application, resident application receipt, copies of company registration certificate, a three year business plan, agreement to make contributions to ZEL infrastructure improvement.
8. Expect the decision from resident admission commission to be made public (observe commission membership in Art. 5-10 of GD Nr. 686 of 30.05.2002 on regulating ZEL resident admission, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=296656>).
9. In case of positive decision, sign a ZEL resident agreement with ZEL administration within 30 days.

## References

1. Law Nr. 440 on ZEL [lex.justice.md/index.php?action=view&view=doc&lang=1&id=312827](http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312827).
2. GD Nr. 686 of 30.05. 2002 on approving the regulation regarding the contests for selecting the participants of Free Economic Zones, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=296656>.
3. Tax Code, <http://www.fisc.md/ro/lege/fiscrm/>.

## Where To Go

Institution	Contacts
Giurgiulești Free International Port	Giurgiulești, Cahul District, Tel. 29-34-91, Fax. 29-28-55, E-mail dileonardo@danlog.md, <a href="http://www.gifp.md">http://www.gifp.md</a>
Mărculești International Airport	Mărculești, Floresti District, Tel./Fax 23-42-99, E-mail: aim.mail@airportmarculesti.com, <a href="http://www.airportmarculesti.com">www.airportmarculesti.com</a>
Expo-Business-Chișinău ZEL	Chișinău, Tel. 41-41-30; Fax 41-41-38; E-mail admin@moldova-freezone.md, freezone1@list.ru, <a href="http://www.moldova-freezone.md">www.moldova-freezone.md</a>
Ungheni-Business ZEL	Ungheni, Tel. 236-20184, Fax 236-20184, E-mail: office@freezone-ungheni.md, <a href="http://www.freezone-ungheni.md">www.freezone-ungheni.md</a>
Otaci-Business Production Park ZEL	Ocnîța District, Tel. 271-94626, E-mail otaci-business@rambler.ru
Tvardița ZEL	Tvardița, Taraclia, Tel. 069371840, 291-63454
Taraclia Production Park ZEL	Taraclia, Tel. 294-24483, 69 602 025, Fax 29424483, E-mail zal_pp_taraclia@mail.md
Vulcănești Production Park ZEL	Vulcănești District, Tel. 293-23980, Fax 29322568, E-mail levlor@rambler.ru
Bălți ZEL	Bălți, Tel. 231-53454, Fax 231-53461, E-mail ciobanu.marin@zelb.md, office@zelb.md

